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SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-65669; File No. SR-NYSEArca-2011-78)

November 2, 2011

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Offering a Market Data Product to Vendors and Subscribers that Combines Three Existing Market Data Feeds as well as Additional Market Data from the Exchange Into One Integrated Product, the NYSE Arca Integrated Data Feed

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 26, 2011, NYSE Arca, Inc. (“NYSEArca” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to offer a market data product to vendors and subscribers that combines three existing market data feeds as well as additional market data from the Exchange into one integrated product, the NYSE Arca Integrated Data Feed. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and

[www.nyse.com](http://www.nyse.com).

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to offer a market data product to vendors and subscribers that combines three existing market data feeds as well as additional market data from the Exchange into one integrated product, the NYSE Arca Integrated Data Feed. The three existing products, which were previously approved by the Securities and Exchange Commission (the “Commission”) [sic] directly or became effective pursuant to Section 19(b)(3)(A), are: (1) NYSE Arca BBO,<sup>3</sup> a service that makes available the Exchange’s best bids and offers; (2) NYSE Arca Trades,<sup>4</sup> a service that makes available NYSE Arca last sale information on a real-time basis; and (3) ArcaBook,<sup>5</sup> a compilation of all limit orders resident in the NYSE Arca limit order book. In addition, the NYSE Arca Integrated Data Feed would include the following types of market data, which are currently available through existing market data products: order imbalance information prior to the opening and closing of trading<sup>6</sup> and security status information (i.e., delayed openings and trading halts).<sup>7</sup>

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<sup>3</sup> See Securities Exchange Act Release No. 62188 (May 27, 2010), 75 FR 31484 (June 3, 2010) (SR-NYSEArca-2010-23).

<sup>4</sup> See Securities Exchange Act Release No. 59598 (March 18, 2009), 74 FR 12919 (March 29, 2009) (SR-NYSEArca-2009-05).

<sup>5</sup> See Securities Exchange Act Release No. 63291 (November 9, 2010), 75 FR 70311 (November 17, 2010).

<sup>6</sup> The Exchange’s affiliates, the New York Stock Exchange, LLC (“NYSE”) and NYSE Amex, LLC, currently offer imbalance data feed products pursuant to proposed rule changes filed with the Commission. See Securities Exchange Act Release No. 60153

The Exchange proposes to offer the NYSE Arca Integrated Data Feed through the Exchange's Liquidity Center Network ("LCN"), a local area network in the Exchange's Mahwah, New Jersey data center that is available to Users of the Exchange's co-location services. The Exchange also would offer the NYSE Arca Integrated Data Feed through the Exchange's Secure Financial Transaction Infrastructure ("SFTI") network, through which all other Users and member organizations access the Exchange's trading and execution systems and other proprietary market data products.

Offering an integrated product addresses requests received from vendors and subscribers that would like to receive the data described above in an integrated fashion. An integrated data feed would provide a lower latency solution to those vendors and subscribers that are interested in receiving market data as quickly as possible. In addition, an integrated data feed would provide greater efficiencies and reduce errors for vendors and subscribers that currently choose to integrate the data after receiving it from the Exchange. The Exchange believes that providing vendors and subscribers with the option of a market data product that both integrates existing products and includes additional market data would allow vendors and subscribers to choose the best solution for their specific businesses.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Securities Exchange Act of 1934 (the "Act"), in general, and furthers the objectives of Section 6(b)(5),<sup>9</sup> in particular, in

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(June 19, 2009), 74 FR 30656 (June 26, 2009) (SR-NYSE-2009-49) (order approving proposed rule change) [sic]; and Securities Exchange Act Release No. 60151 (June 19, 2009), 74 FR 30653 (June 26, 2009) (SR-NYSEAmex-2009-29).

<sup>7</sup> The Commission previously approved the NYSE Alerts data feed for NYSE, which includes delayed opening and trading halt data. See Securities Exchange Act Release No. 50844 (December 13, 2004), 69 FR 76806 (December 22, 2004) (SR-NYSE-2004-53).

<sup>8</sup> 15 U.S.C. 78f(b).

that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, and it is not designed to permit unfair discrimination among customers, brokers, or dealers.

In adopting Regulation NMS, the Commission granted self-regulatory organizations (“SROs”) and broker-dealers increased authority and flexibility to offer new and unique market data to consumers of such data. It was believed that this authority would expand the amount of data available to users and consumers of such data and also spur innovation and competition for the provision of market data. The Exchange believes that the NYSE Arca Integrated Data Feed is precisely the sort of market data product that the Commission envisioned when it adopted Regulation NMS. The Commission concluded that Regulation NMS—by lessening regulation of the market in proprietary data—would itself further the Act’s goals of facilitating efficiency and competition:

Efficiency is promoted when broker-dealers who do not need the data beyond the prices, sizes, market center identifications of the NBBO and consolidated last sale information are not required to receive (and pay for) such data. The Commission also believes that efficiency is promoted when broker-dealers may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data.<sup>10</sup>

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<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

The Exchange further notes that the existence of alternatives to the Exchange's product, including real-time consolidated data, free delayed consolidated data, and proprietary data from other sources, as well as the continued availability of the Exchange's separate data feeds, ensures that the Exchange is not unreasonably discriminatory because vendors and subscribers can elect these alternatives.

The NYSE Arca Integrated Data Feed will help to protect a free and open market by providing additional data to the marketplace and give investors greater choices. In addition, the proposal would not permit unfair discrimination because the product will be available to all of the Exchange's customers and broker-dealers through both the LCN and SFTI.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The market for proprietary data products is currently competitive and inherently contestable because there is fierce competition for the inputs necessary to the creation of proprietary data. Numerous exchanges compete with each other for listings, trades, and market data itself, providing virtually limitless opportunities for entrepreneurs who wish to produce and distribute their own market data. This proprietary data is produced by each individual exchange, as well as other entities (such as internalizing broker-dealers and various forms of alternative trading systems, including dark pools and electronic communication networks), in a vigorously competitive market. It is common for market participants to further and exploit this competition by sending their order flow and transaction reports to multiple markets, rather than providing them all to a single market.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2011-78 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2011-78. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro/shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should

submit only information that you wish to make available publicly. All submissions should refer to File No. SR-NYSEArca-2011-78 and should be submitted on or before [insert date 21 days from date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).